

W-03443A-11-0040

ORIGINAL



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ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORMInvestigator: Richard MartinezPhone:

2011 MAY -6 P 3: 33 E

Priority: Respond Within Five DaysAZ CORP COMMISSION
DOCKET CONTROLOpinion No. 2011 - 94824Date: 4/26/2011Complaint Description: 08A Rate Case Items - Opposed
N/A Not Applicable

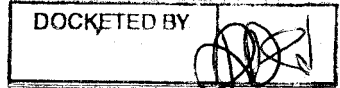
Arizona Corporation Commission

DOCKETED

First:Last:Complaint By: Aaron & Edie

Hulburd

MAY 6 2011

Account Name: Aaron & Edie HulburdHome:Street:Work:City: Chino ValleyCBR:State: AZ Zip: 86323is: E-MailUtility Company: Appaloosa Water CompanyDivision: WaterContact Name:Contact Phone: "Nature of Complaint:

(Docket No. W-03443A-11-0040)

WATER RATE INCREASE

Appaloosa Water Company has required a 100% rate increase from the Arizona Corporation Commission. If approved, this would double your water bill. If you want to oppose this, please complete the attached form and mail it to the Corporation Commission in the enclosed envelope (don't forget the stamp!). Your response matters! The more response that the Commission receives, the more likely it is to schedule a formal hearing.

Appaloosa Water Company seeks to justify the rate increase by claiming, among other things, that it is losing money; needs a new water tank, new water meters, and arsenic removal expenses as well as postage costs as indicated on the attached page from their application.

Based on information in the rate increase applications on file with the Arizona Corporation Commission (1), you may want to consider some of the following factors in your response to the Commission:

- o Customers have charged an arsenic surcharge since July 2009 but the arsenic levels have exceeded federal standards for over a year.
- o Why do we need a 500,000 gallon storage tank? (2) Is this being requested so that existing customers can pay for tank large enough to support expansion of the water company into adjacent properties? If so, why should existing customers pay for this expansion?
- o Why do the existing water meters need to be replaced? They're less than 10 years old
- o Appaloosa Water Company claims that it's losing money but Mr. Cordovanna increased his personal salary to over \$50,000 in 2010 from \$30,000 in 2008.
- o Mr. Cordovanna borrowed over \$141,000 from water company (3) Should this money have been used for

ARIZONA CORPORATION COMMISSION
UTILITY COMPLAINT FORM

some of the requested repairs and improvements?

o Should the water customers pay for postage to promote Mr. Cordovana's other business such as Windmill Farms? These flyers are often enclosed with our bills.

Footnotes:

1. Docket # W-03443A-11-0040 (Jan 26 & Feb 17, 2011)
 2. Docket # W-03443A-11-0043 (Apr 13, 2010)
 3. Docket # W-03443A-08-0177 & 0313 (Aug 6, 2009)
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1. Increase in postal rates to mail out billings each month. Purchase of software for billing each month. Purchase of software for billing and reporting documentation to comply with regulations. Increased property taxes.

2. None known

3. Anticipated costs of construction for a new storage tank, electrical generator system, new meters that are freeze resistant and with newer technology of the aging meters that insure the reduction of water loss in Phase 1 and Phase 11; Arsenic removal

4. No growth/decline is anticipated at this time.

5. New storage tank, electrical system, replacement of meters and maintenance of current equipment.

6. Current water supply does not meet fire flow and peak usage requirements. The new storage tank and new electrical system are needed to comply with requirements. This new upgrading will insure the customers of no interruption of services in case of an electrical malfunction or outage. Backup storage will cut waste water. The efficiency of the new meters will help prevent water loss, lower the costs of maintaining the aging meters and obtaining more reliable information on water usage.

7. The current collection for the arsenic costs is not adequate for the yearly cost for treatment.

End of Complaint

Utilities' Response:

Investigator's Comments and Disposition:

4/26

I called customer and left a voice mail message to call me as I do have a few questions I need to ask regarding the letter that we received from them re: the water rate increase for Appalossa Water Company.

I now await their call.

4/28

ACC staff received a return call from customer stating that she would like her Opinion to be docketed as she presented it in her correspondence to the ACC.

4/28

Emailed to Phoenix ACC office for docketing. FILE CLOSED.

End of Comments

Date Completed: 4/28/2011